consultations with the concerned administrative Ministry and other stakeholders. Disinvestment is carried out as per the declared policy of the Govemment to bring down Govemment equity in non-strategic PSUs to 26% or lower, in the generality of the cases. However, in cases of PSUs involving strategic consideration, Govemment will continue to retain majority holding. Details can be seen in the Ministry's website-*www.divest.nic.in*

(d) No, Sir. One of the principle objectives of disinvestment is to strengthen the enterprises so that they can stand up to the competition that confronts them. The procedures followed for disinvestment of Govemment equity in PSEs are based on global experience and are carried out with the assistance of professional advisors of repute, selected through the process of competitive bidding. The shares of the PSUs are disinvested through a transparent bidding process. The procedure includes issue of advertisements locally/internationally depending on the nature of transaction, inviting expression of interest, due diligence by the bidders, a commonly agreed shareholders agreement and competitive financial bidding at the final stage.

Non-Payment of dues to suppliers of raw materials

4804. DR. ALLADI P. RAJKUMAR: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether while disinvesting Public Sector Enterprises. Govemment ensure that suppliers of raw materials of small scale industries are paid in full; and

(b) if so, the reasons why raw material suppliers to Hindustan Cables Ltd. have not been paid?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The disinvestment of Public Sector Undertakings (PSUs) through strategic sale involves transfer of equity shares of the PSU held by Govemment to the Strategic Partner along with management control. Since the management of the PSU is handed over to the strategic Partner as a going concern, all assets and liabilities of the PSU would remain with the PSU even after disinvestment. After the disinvestment, the company would be liable to discharge the liabilities the dues to suppliers of raw materials of small-scale industries. The same principle would be applicable for the disinvestment of Hindustan Cables Limited (HCL).